EVENT VIOLATION INSPECTOR'S STATEMENT

Company/Mine: _ Genwal Resources, Inc/Crandall Canyon Mine   NOV # 10046
Permit #: _ C/015/032   Violation # 1 of 1

A.   SERIOUSNESS

1.   What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation**. Mark and explain each event.

☐	a.	Activity outside the approved permit area.
☐	b.	Injury to the public (public safety).
☐	c.	Damage to property.
☐	d.	Conducting activities without appropriate approvals.
☒	e.	Environmental harm.
☒	f.	Water pollution.
☐	g.	Loss of reclamation/revegetation potential.
☐	h.	Reduced establishment, diverse and effective vegetative cover.
☐	i.	No event occurred as a result of the violation.
☐	j.	Other.

Explanation: The sediment level in the sediment pond is @ 7774.7'. The approved mining and reclamation plan indicates that the 60% sediment clean level elevation is 7769.0' and the maimum sediment elevation is 7770.0'. The sediment level is 5.7' above the 60% clean elevation and most importantly is 4.7' above the maximum sediment level. Pond designs are developed to prevent water pollution and environmental harm by having enough capacity to treat the designed storm event while preventing failure of the pond. It is for this reason that maximum sediment levels are established. The 60% clean elevation is given so that the pond is cleaned in advance of reaching the maximum sediment level, thereby leaving enough capacity in the pond to treat the designed storm event.

2.   Has the even occurred? Yes

       If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: The pond has exceed the maximum sediment level by 4.7'.

3.   Did any damage occur as a result of the violation? No

       If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: _____

B.   **DEGREE OF FAULT** (Check the statements which apply to the violation and discuss).

☐   Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: _____

☐   Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: _____

☐   If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: _____

☒   Was the operator in violation of a specific permit condition?

Explanation: Failure to maintain the sediment pond to the designed sediment levels found in the approved mining and reclamation plan thereby leaving enough capacity to treat the designed storm event.

☐   Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: _____

C.   **GOOD FAITH**

1.   In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: _____

2.   Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: _____

3.   Was the submission of plans prior to physical activity required by this NOV / CO? Yes If yes, explain.

Explanation: _____

Karl Houskeeper   _[signature]_   November 4, 2009
Authorized Representative   Signature   Date

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